

analysis

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The Union, next to our liberty, most dear.—JOHN C. CALHOUN.

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United We Fall

IT is never too late to put up a fight for freedom. True, the prospect for such a venture at this time seems bleak indeed, what with the prevailing madness to push more power upon the political overseer so that he might the better regulate our lives. Recruits would be scarce. From the rank and file, those who under all circumstances are determined to be harnessed, little can be expected; they are too preoccupied with mere existence. And those who seem to have the necessary ingredients—that is, those who have by their own initiative pushed themselves above the general level—are equally fervent for a regulated and subsidized existence under an omnipotent State. Subvention has become everybody's business.

The despair of those who still put a value on freedom is understandable. Perhaps, as they say, it is best to let the country have its fill of socialism—or fascism or communism or any other pup from the litter of absolutism—and be done with a quixotic struggle. After a century or two of that kind of existence, when human dignity shall have scraped bottom, a Moses will emerge from the bulrushes and gain a respectable following. By that time, they point out, the State shall have become emaciated from malnutrition, slaves being poor providers, and a handful of resolute men can push it over. It was ever thus. Every civilization we know of arose and flourished in the sunshine of freedom; political institutions attached themselves even at the beginning, but remained quiescent until an abundance of economic goods stimulated cupidity; then followed a period of increasing political predation until at long last the civilization disintegrated and became an historical or archeological curio. After a while, freedom germinates a new civilization. That is the inevitable cycle, and we can do nothing, they say, to prevent or retard it.

Maybe so; maybe our civilization is also doomed by the ineluctable forces of history; maybe it is in the decline right now. Nevertheless, men do what they are impelled by an inner urge to do, not what history dictates. The stars in the heavens tend to their eternal business while we transitory mortals travel within our own specific orbits. It was no historical imperative that directed the pens of those who signed the Declaration of Independence; it was the integrity of the signers. There were many at the time—the Tories—who deemed the venture foolhardy and undesirable, and they could have argued the historical uselessness of all revolutions. Nevertheless, the rebels (none of whom were driven to it by economic necessity) put their signatures to what at that time seemed to be their own death warrant. Why? For lack of better answer, let us say they were made of a particular kind of stuff and could not do otherwise.

Looking to history for causation, we find that man's constantly recurring excursions

in search of freedom are identified by their leadership. The logical inference is that when men of that stripe appear on the scene the cause of freedom is not neglected. If, for instance, those who now prate about "free enterprise" were willing to risk bankruptcy for it, as the men of the Declaration were willing to risk their necks for independence, the present drive for the collectivization of capital would not have such easy going. Assuming that they are fully aware of the implications in the phrase they espouse, and are sincere in their protestations, the fact that they are unwilling to suffer mortification of the flesh disqualifies them from leadership, and "free enterprise" remains merely a mouthing.

The present low estate of freedom in this country must be laid to lack of leadership. Whether or not leadership could have averted, or can still stop, the socialistic trend, may be open to question; that a glorious fight for freedom might yet enliven the American scene is not. And, if we can trust the historic pattern, the odds are that nature will give us, in her own good time and at her pleasure, the kind of men that can and will make the good fight.

A Block to Power

THE American terrain, so to speak, is fortuitously favorable for the forces of freedom. Not only is there a strong supporting tradition, but the Constitutional form of government which grew out of this tradition is still in existence, though somewhat distorted, and could provide the favorable battle line. It must be remembered that from the very beginning of the country political power has been in bad repute; even though it is well on its way to religious status, political power in America still lacks the adulation that it receives from peoples long inured to submissive-

ness. In the beginning, the Founding Fathers recognized the need of government in organized society, but were ever jealous of

its powers. They knew that political authority is constitutionally incapable of moral inhibitions. It is force, and, like physical force, can be held in check only by an equal and contrary force. For that reason, when they came to organize a government to replace the one they had thrown out, they put into its pattern provision for a series of counterbalancing forces. Not only did they aim to keep the central government weak by a division of authority, but also pitted against it the governments of the component states. Freedom was to be preserved by keeping political power decentralized and off balance. The scheme worked well for a time, but no Constitution can of itself constrain the inherent tendency of power to expand; only constant surveillance and opposition can do that, and since the primary concern of man is the business of living, political power makes its way unnoticed. The present condition of freedom in this country is due entirely to the breakdown of the strictures laid upon the government by the Founding Fathers, most particularly the one providing for the dual form; the powers of the central government have been enhanced at the expense of the state governments. Hence, any campaign to restore freedom in this country must begin with an effort to reverse that process.

The virtue in the juxtaposition of local and federal governments is demonstrated in reverse by the careers of tyrannies. In no country where a totalitarian regime established itself did it have to contend with the dual system that obtains in this country. When Hitler came along there was still some semblance of the local autonomy that Bismarck had broken through, but it was too attenuated to stay the path of the conqueror; he had to meet nothing like our sovereign state governments, legally entrenched and supported by a tradition of voluntary association. Mussolini's march on Rome was likewise facilitated by the structural consolidation begun by Cavour.

On Doing Something

Even philosophers experience a feeling of frustration and a need for action of some kind. The impulse "to do something" does not always arise from any conviction that action—reform—will result in any general improvement; far from it. The best that one can expect from the effort is a letting off of steam, or the satisfaction that comes from expressing oneself. . . . There is a growing sentiment for states' rights in this country. It is still a nebulous sentiment, without intelligent organization and with little that could be called a platform. But, underlying the doctrine is, historically at any rate, an urge for freedom. For that reason the embryonic movement might be worth watching. . . . This article on states' rights is the first of a series in the making.

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and the Czars had long ago effected all the centralization that Lenin needed. Again, for centuries the seat of ultimate authority had been London when the socialists took over: home government in England is merely an administrative agency.

When the trend toward centralization in this country took definite shape under the New Deal, its leaders ran head on into the impediment of divided authority. They set out to remove it. They went so far as to draw up a blueprint for a new political set-up, one that would circumvent, if not obliterate, the troublesome state lines. In 1940 the National Resources Committee, in a report called *Regional Factors in National Planning*, proposed to divide the country into a dozen regional areas, as a basis for national planning and the coordination of federal administrative services. It was a proposal so violative of the spirit of the Constitution, if not the letter, that the committee made haste to give assurance; the regional organization, they said, "should not be considered as a new form of sovereignty, even in embryo." It would have been foolhardy to say anything else, especially since the consolidation of the states into a national unit requires, under Constitutional procedure, the joint action of Congress and the state legislatures. Nevertheless, the committee insisted that the "division of Constitutional powers" handicapped any program of national design; the report left no doubt of the necessity of overcoming this division as a condition for the federal solution of "otherwise insoluble problems." It was clearly a bid for a nationalized system; and in the propaganda of the day the prediction that the states are "finished" was uninhibited.

Thus, the proponents of planning, with its correlative of restrictions on individual initiative, are on record as to their strategic campaign. The separate states must be either wiped out or reduced to parish status. It is impossible to effect complete control over the individual of divided allegiance; he must have only one god. History is on their side; no political power ever achieved absolutism where the subjects were permitted to indulge more than one loyalty; the Caesars persecuted the Christians because, despite the homage they rendered Rome, they worshipped God.

Pending the organic consolidation of the states, the planners adopted a policy of conquest by purchase. Armed with the enormous revenues from the unlimited income tax, they have to all intents and purposes penetrated and almost obliterated state lines. All was done, is being done, in the name of "public welfare," but the political effect of flood control, public housing projects, farm subsidies, federal control of banks, loans and subventions of all sorts, has been to win public support for the central government and to discredit home government. The loyalty as well as the integrity of the citizenry is purchased by gratuities derived from its own substance, while bribery and blackmail reduce the petty local politician to subservience. For a brief tenure of office the sovereignty of the states is bartered away; such areas of independent action as are left to them are those the federal government has not yet chosen to absorb, like patrolling the streets or real estate taxation. Washington has thus become the American Mecca and, if not stopped by vigorous and uncompromising opposition, will become its Moscow.

The Origin of States' Rights

THE forces of centralization, then, have selected the "front," the line of battle, and there is nothing for the opposition to do but to meet them at this line. The issue is again the matter of states' rights, but this time vitalized with the issue of freedom. Specifically, it is the original American issue, before it became sullied with sectionalism and racialism; it is the problem that confronted the Founding Fathers.

The people of the recently liberated British colonies had had their fill of government from afar, of impersonal government, of government by decree. If they were going to have any government at all they wanted one they could keep their eyes on and, if need be, put their hands on. They were for Union, to be sure, for by such cooperation they had rid themselves of a foreign tyrant, but they recognized that under the Articles of Confederation the Union was imperfect; it was to correct these imperfections that they sent delegates to the Philadelphia Convention, not to draw up a new Constitution. They accepted the Constitution rather grudgingly, even though it left to the several states almost as much autonomy as they had had; in internal matters the only material limitations on their authority was in imposing interstate tariffs and in the matter of issuing currency; in the important fiscal powers, with the exception of import tariffs, the states gave up nothing, merely allowing the federal government to share with them the right to levy excise taxes. Direct taxation, on land and on incomes, remained the exclusive prerogative of the states. And, while the Constitution did not touch on the subject, the opinion prevailed that withdrawal from the Union was permissible, an opinion that found expression first in the 1815 Hartford convention called for the purpose of exploring the possibility of secession of the New England states. The first loyalty of the early American was to his local government, and for good reason.

There is no vice in the government of a large nation that cannot be duplicated in the government of a small nation or of any political sub-division. Even the Greek city-states had their tyrants. Our state and city establishments have proven themselves susceptible to the ubiquitous malady of corruption, and the rights of citizens have not been immune to the power-complex of county sheriffs. If we were divided into forty-eight nations, each independent of the other, the case for freedom would hardly be better; it could be worse. But, where power is diffused, as was contemplated in the original Union, and the citizen can play one authority against another, his inherent rights are less likely to be infringed upon. That political fact was taken for granted, or rather sensed, by those who drafted, ratified or opposed the Constitution; the arguments in the Convention, the pleading for ratification in the *Federalist* and the warnings of anti-ratification pamphleteers all bear evidence to a general distrust of centralized power. Except for a handful who urged the monarchial form of government, everybody was for local authority at least equal in scope to that of the new national authority.

Freedom Is a Fight

FREEDOM is a personal experience, a free society is an association of free individuals, nothing else. Freedom consists simply in the absence of external restraints on thought and behavior. Yet, because the individual, in his efforts to improve upon his circumstances, not infrequently transgresses the equal freedom of

his fellow man, restraint becomes a necessary condition of social living; it is the means of maintaining an equilibrium, or justice. But, the administrators of justice are themselves men, possessed of the frailties common to all men, and in the exercise of the powers of restraint vested in them are not immune from temptation. Power over men is itself a satisfaction, besides providing opportunity to better one's circumstances with a minimum of exertion. Hence, the lust for power increases with its enjoyment and restraint is added to restraint. The government instituted to prevent men from transgressing one another's equal rights thus tends to become a transgressor of the rights of all. The injustice is far more oppressive than any one man can do unto another, and the interests of freedom can be served only by restraint of government.

The fight is unending. Man being what he is, government is necessary; but government being subject to its own perversions, must be kept in line by constant surveillance and opposition. At times, as during the present, political power gets the upper hand and seems well on the way to reduce the individual to animal status; but because of man's innate urge for self-expression, which is the essence of freedom, the struggle flares up again and again. Between man and political power there is never peace, only a temporary truce.

On this basic premise a states' rights movement can build an appealing program. If it promises freedom, with decentralization as a means only, it will speak to the hearts of men. The romantic appeal of government by neighbors, of non-interference from outsiders, of the preservation of cherished local customs, of the pride of belonging to one's home environment—all this will have its contributory effect; but far more fetching will be the expectation of greater freedom, economic as well as political. That is the goal men have always striven for.

And the promise must be implemented with specific objectives; ideals alone will not do. Its platform must offer relief from all the interventions in human affairs that the federal government, under the guise of humanitarianism, has possessed itself of; and without compromise. Going to the tap-root of its present overweening power, repeal of the Sixteenth Amendment should be the keystone of a states' rights program. The power to tax the earnings of men is a denial of private property, the one right without which man is reduced to subject-status. Our entire Bill of Rights became a dead letter when the right to keep and enjoy the product of one's labor was taken from us; for human dignity cannot be divorced from the sense of ownership. Once the political establishment acquired a prior lien on everything produced, it had the means to undertake ventures for which it has no competence in theory or practice, ventures which are properly in the domain of individual initiative. It acquired the means of becoming the Monopoly State Capitalist. Nor is there any power left to prevent its achievement of that goal, for its enormous economic resources enable it to maintain the machinery for the repression of opposition.

A states' rights movement that did not encompass repeal of the Sixteenth Amendment would be meaningless. For the autonomy of the state government was inevitably doomed when the incomes of the people became the incidence of federal taxation. In the first place, loyalty of the

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citizen, who before that had been primarily a citizen of his state, and only secondarily of the nation, was transferred to the authority that takes his wealth; he became a subject of the government controlling his economy. And then, with these funds at its disposal, the federal government was in position to bring the local governments to heel, mainly through the process of bribery. It is now clear that when the states ratified this amendment they signed the death warrant of their own sovereignty.

Secession and Nullification

WITH that plank as a beginning, the platform should tear into every device of centralization, always exposing it as a threat to freedom, regardless of the promise with which it is couched into our faces. Let us take the Federal Reserve System as an example. This was in the beginning a quasi-public organization, or a private organization under the aegis of the government; its function was to move money from banks with an excess of it to banks that had a need of it for sound purposes. However, through its monopoly privilege of making money and issuing bonds, the government has reduced this organization to subservience; it is now an arm of the government, willy-nilly. As a consequence, the local bank, which once served the commercial life of its community, is an obedient secretary of the U. S. Treasury. Since sixty percent of its assets are in the hands of the government, the bank's interest in the local merchant and industrialist is only forty percent. The

banker is hardly the servant of the society of which he was a part, but has been fitted into the "foreign" bureaucracy. Not only is his freedom being whittled away, but the freedom of the citizen he once served is being limited by the rules and regulations of the super-banker, the government. A states' rights movement must not only point out how the liquidation of private banking came about, to the discouragement of private initiative, but should advocate a system of state-chartered banks as free as possible from federal entanglement.

But, whether it is against the banking system, or food control boards with authority superseding that of the states, or the multitudinous lending and spending agencies that everywhere dominate civic management to secondary importance, the attacks should be made with the purpose of laying upon the federal government the odium of a "foreign" government. One could make a strong case for the proposition that the disabilities put upon the colonials by George III compare favorably with the disabilities we suffer under the Washington bureaucracy; the indictment of that monarch in the Declaration of Independence needs little change to fit it to the Trojan horse named "Welfare State." It must be the business of a states' rights movement to point out that freedom can be bartered away as well as taken away. The result is the same.

Important as is this ideological program, the movement must attach to itself an economic interest. This is essential. In 1815, the movement got up a head of steam only because "Mr. Madison's War" was

playing havoc with the merchants and industrialists of New England, and it was the economic difficulties of the South that generated interest in nullification and secession. No political movement based on idealism alone, it must be fueled by economics. Through the intelligent use of the fiscal powers of the states, it is possible to induce capital to engage in intra-state ventures; the current attacks of big government on "big business" should favor such decentralization, and the graduated income tax will in time make the per-dollar return from a small investment more attractive than possible earnings from a large undertaking. Farming freed from local taxation should prove more profitable, and infinitely more dignified, than subsidized and regulated farming. The exemption of buildings from local levies would long ago have overcome the housing shortage, upon which the bureaucracy has waxed fat, and would have started a wage boom of proportions. In numerous ways, the states individually or through voluntary agreements could go in for encouraging local industry, to the disparagement of federal methods.

In short, a states' rights movement should take the form of the secession from Washington, not from the Union, and nullification of the directives issuing from bureaucracies. It would be revolutionary in character but legal in form, because the autonomy of the state governments is inherent in the Constitution. Besides, there is no way for the federal government to indict the state governments, and revolution is always legal when it is successful.

Trailing the Trend

MATEE you also caught it—a scoundrel from the inside of the newspaper. It told about a fellow named Haggerty who lost his \$25,000 job as head of the bankrupt William Watson Company and made new money on an annual stipend of \$25,000 as "special assistant" for the R.F.C. He had been in charge of the Boston branch of this lending agency when it advanced \$2,000,000 to the defunct watch company, as watchdog, said Haggerty had tripped what he got as leader of the people's tin-money. Now he is back on the only job for which he is fit, and only something better turns up.

THE story appeared on the day the baseball season opened. That event monopolized the front pages. Haggerty's story was overlooked.

ISN'T it admirable how the bureaucracy takes care of its own? The French for it is *cogés de corps*.

IT is easy to see how and why the efficiency of the future will consist entirely of pagodism.

JOHN KARAGIANNIS was convicted of lying to the Senate. He told its committee investigating his activities as president of fronts from officials that he had only one bank account when, horror of horrors, he had two. For that, between crime to be punished. His growingly famous—that charge was put into one of those long Thackeray profiles he once used to express the appreciation for official cooperation.

THE case of the five-percentage who had access to the White House and made profitable use of its stationery is thus officially closed.

Which is as it should be. Under all circumstances no shadow of doubt as to its integrity must fall on the White House, or, the king can do no wrong. When the people lose faith in their rulers—but that is unthinkable.

WHEN a man in business, a competitor, is faced with loss, he tries to improve his service, increase production, lower his prices, as to attract more trade. The Postmaster General, who is a politician, not a business man, thinks differently. He asks for an appropriation of tax-money to cover up the inefficiency expressed in deficits. To bring pressure upon Congress, he cuts down the mail service, just before appropriation time; the object is to turn the wrath of the taxpayer on the penny-pinching Congressman.

IF you don't like the reduction in service, take your trade elsewhere, or quit writing letters.

FAMINE is an old story in China. It came when the Mongol dynasties were in power, when the so-called republic prevailed, and now it comes when the divine communists rule the roost. That is to say, famine seems to be an inevitable consequence of strong governments. But, just as widespread hunger undermined its predecessors, we can trust it to bring the communistic regime to ruin. Why waste ammunition on them?

THE Administration is trying hard to serve unopposing support to its foreign policy, wherever that is. It wants unanimity. But, foreign policy, according to Dean Acheson, is war-peace policy, and it

there is no division of opinion on that score? Are the people, whose representatives the Congressmen are supposed to be, unanimously for war? Maybe there are among us—period the thought!—a parcel of isolationists. Are the pacifists to be denied a voice?

MODERN economists make a great ado about "effective demand." They are, however, somewhat hazy in defining this magic phrase. To the old-fashioned mind it means the possession of goods or services for which other goods and services will be offered in exchange; that is, if A has shoes and B has coins, and each wants what the other has, both are possessed of "effective demand." That, say the moderns, is an over-simplification. To them "effective demand" is the possession of something produced by a government printing press, preferably of a green hue.

BEFORE the war, in 1941, farmers paid \$25 millions in income taxes; in 1949 the bill came to \$700 millions. Just what the effect is qualitative comes to it but known, exactly; but it is a certainty that in time the gap between critics and critics will be closed. Maybe then the farmer will realize that there is no such thing as free lunch.

THE D.C.A.—the Day After Tomorrow—has not only the fact that this is an important day this year. It is looking to a proposition that should get the bill wrong by this bill, or just before falling begins. Congress—consisting of the politicians and lawmakers—all about, by pass a bill authorizing the government to produce, back home in "small" business, but to which business men whose assets, prospects and ability are such that the bank will

not lend him a dime will now be able to borrow up to \$100,000 from said bank on presenting an official endorsement, to get which, of course, he will have to know the "right" people.

THIS is in addition to the loans made by the R.F.C. There is a move on foot to allow that agency to extend the maturity date on its loans from 10 to 25 years—thus delaying inevitable bankruptcy.

ANOTHER shot at the war for "small" firms, now being proposed, is called "guarantee." The agents of the Commerce Department will offer them technical help in management and production, probably the acceptance of such help will be a condition of a loan. It is obvious that the help will turn into control.

THIS, though the route is a little different, is an interesting right into Mussolini's Corporate State.

IT is significant that the D.C.A. is urging Congress to give financial aid to business. The endorsement of its leaders depend on them and they depend on jobs. It makes no difference whether the jobs come out of production or the taxpayer's hole. But, experience and control of business supported by government must ultimately extend to the workers employed in them. When that comes, the workers will become government officials—which will be all right with them. A dollar is a dollar.

MILWAUKEE, the General Service, the Bureau has announced a new program of investigation of small business. It is a good idea.

ANYONE who has been to the White House is perfectly fair to its friends.